

SECTION 632: STOP PAYMENT OF WARRANTS

1. General Description. A stop payment WARRANT is a WARRANT that was issued by the Comptroller that requires a "stop payment" order from the Comptroller to the Director of Finance (Department of Budget and Finance) (B&F) that a WARRANT is not to be paid because it may have been lost, stolen, misplaced, destroyed, or otherwise not received by the payee, or because a payee may not be entitled to a WARRANT.
2. Purpose. This section outlines the procedures that are to be followed for processing WARRANTS that require a "stop payment" order.
3. Scope. This section covers the procedures from the time when an inquiry is made as to whether or not a WARRANT has been paid, through the stop payment action, and the issuing of a duplicate WARRANT (replacement), if necessary.
4. Processing Procedures.
 - (a) Written inquiries on warrants are made to the Comptroller by departments (for employees or for outside payees), by B&F's Finance Division, or by outside payees.
 - (b) The Comptroller requests that B&F's Electronic Data Processing Division (data processing center) determine the status of the WARRANT on a STOP PAYMENT NOTICE form. (Refer to Section 633 in this Manual.)
 - (c) The data processing center researches the Comptroller's outstanding WARRANT computer file to determine whether the WARRANT was redeemed.
 - (d) If the WARRANT was redeemed, the data processing center submits photocopies of the paid WARRANT to the Comptroller. If the WARRANT has not been redeemed, the data processing center informs the Comptroller of this fact by noting the date on the STOP PAYMENT NOTICE that this verification was made.
 - (e) If the WARRANT has not been redeemed, a two week period is usually allowed by the Comptroller to determine whether the original WARRANT is being cleared by the banks and will subsequently be presented to the State Treasury, or is located and reported by someone, or is reported in some other manner.
 - (f) By the end of the second week, the Comptroller determines whether a stop payment action is required, or whether the file should be closed.
 - (g) If a stop payment action is to be taken, the Comptroller submits the STOP PAYMENT NOTICE to the data processing center for immediate stop payment of the WARRANT.

SECTION 632: STOP PAYMENT OF WARRANTS

- (h) The payee is requested to submit a BOND FOR LOST WARRANT (for WARRANTS of \$1,000.00 or over). (Refer to Section 634 in this Manual.)
- (i) The Comptroller requests that a duplicate WARRANT be prepared by submitting the STOP PAYMENT NOTICE to the data processing center.
- (j) A duplicate WARRANT is prepared by the data processing center and submitted to the Comptroller.
- (k) Part A of the STOP PAYMENT NOTICE is completed by the Comptroller and submitted to the Director of Finance, requesting formal stop payment action on the original WARRANT.
- (l) The Comptroller reviews and records the WARRANT data and releases the duplicate WARRANT to the payee, or as otherwise requested by the expending agency.
- (m) If the original unpaid WARRANT is subsequently located, the WARRANT is returned to the Comptroller and voided.